

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2011**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-08-2011 RM'000	31-08-2010 RM'000	31-08-2011 RM'000	31-08-2010 RM'000
Revenue	14,924	6,027	14,924	6,027
Cost of sales	(10,151)	(5,944)	(10,151)	(5,944)
Gross profit	4,773	83	4,773	83
Other income	1,341	2,629	1,341	2,629
Distribution costs	(177)	(156)	(177)	(156)
Administration expenses	(1,678)	(1,201)	(1,678)	(1,201)
Other expenses	(936)	(306)	(936)	(306)
Profit/(Loss) from operations	3,323	1,049	3,323	1,049
Finance costs	(667)	(3,209)	(667)	(3,209)
Net profit/(loss) before tax	2,656	(2,160)	2,656	(2,160)
Income tax expense	(633)	(2)	(633)	(2)
Net profit/(loss) for the period	2,023	(2,162)	2,023	(2,162)
Attributable to:				
Equity holders of the Company	2,025	(2,124)	2,025	(2,124)
Minority interests	(2)	(38)	(2)	(38)
Profit/(Loss) for the period	2,023	(2,162)	2,023	(2,162)
Other comprehensive income, net of tax				
Available-for-sales financial assets				
- Gain/(Loss) on fair value changes	(1,249)	1,051	(1,249)	1,051
Foreign currency translation differences for foreign operations	1	2	1	2
Total comprehensive income/(loss) for the period	775	(1,109)	775	(1,109)
Attributable to :				
Equity holders of the Company	777	(2,124)	777	(1,071)
Minority interests	(2)	(38)	(2)	(38)
	775	(2,162)	775	(1,109)
Basic earnings/(loss) per ordinary share (sen)	0.31	(0.33)	0.31	(0.33)
Diluted earnings/(loss) per ordinary share (sen)	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2011.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2011**

	(Unaudited) 31-08-2011 RM'000	(Audited) 31-05-2011 RM'000
Non-current assets		
Property, plant and equipment	1,600	1,660
Investment properties	324,961	318,265
Available-for-sales financial assets	5,952	7,781
Deferred tax assets	226	226
Trade receivables	2,087	2,087
	<u>334,826</u>	<u>330,019</u>
Current assets		
Inventories	365	329
Property development costs	63,739	56,830
Trade receivables	5,208	7,484
Other receivables, deposits and prepayments	10,518	16,029
Tax recoverable	214	214
Cash and bank balances	3,222	3,451
	<u>83,266</u>	<u>84,337</u>
TOTAL ASSETS	<u>418,092</u>	<u>414,356</u>
Equity		
Share capital	325,074	325,074
Reserves	(205,675)	(206,452)
Equity attributable to shareholders of the Company	<u>119,399</u>	<u>118,622</u>
Minority interests	14,749	14,751
Total equity	<u>134,148</u>	<u>133,373</u>
Non-current liabilities		
Hire purchase liabilities	217	277
Long-term borrowings	105,456	104,644
Trade payables	1,653	1,653
	<u>107,326</u>	<u>106,574</u>
Current liabilities		
Trade payables	23,322	23,302
Other payables and accruals	90,417	88,189
Hire purchase liabilities	193	190
Short-term borrowings	27,698	28,370
Tax payable	34,988	34,358
	<u>176,618</u>	<u>174,409</u>
TOTAL EQUITY AND LIABILITIES	<u>418,092</u>	<u>414,356</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.1836	0.1825

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2011.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Share capital RM'000	Fair value adjustment reserve RM'000	Revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Accumulated losses RM'000	Shareholders' equity RM'000	Minority interests RM'000	Total equity RM'000
Balance as at 1 June 2011	325,074	4,390	-	11	(506,580)	118,622	14,751	133,373
Total comprehensive (loss)/income for the period	-	(1,249)	-	1	2,025	777	(2)	775
Balance as at 31 August 2011	<u>325,074</u>	<u>3,141</u>	<u>-</u>	<u>12</u>	<u>(504,555)</u>	<u>119,399</u>	<u>14,749</u>	<u>134,148</u>
Balance as at 1 June 2010	325,074	-	1,436	6	(517,030)	105,213	15,018	120,231
Effects of adopting FRS139	<u>-</u>	<u>970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>970</u>	<u>-</u>	<u>970</u>
Balance as at 1 June 2010 (restated and adjusted)	325,074	970	1,436	6	(517,030)	106,183	15,018	121,201
Total comprehensive income/(loss) for the period	-	1,051	-	2	(2,124)	(1,071)	(38)	(1,109)
Balance as at 31 August 2010	<u>325,074</u>	<u>2,021</u>	<u>1,436</u>	<u>8</u>	<u>(519,154)</u>	<u>105,112</u>	<u>14,980</u>	<u>120,092</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2011.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Three months ended 31-08-2011 RM'000	Three months ended 31-08-2010 RM'000
Cash flows from/(used in) operating activities		
Profit/(Loss) before taxation	2,656	(2,160)
Total comprehensive (loss)/income for the period		
- Non-cash items	313	158
- Non-operating items	486	706
Operating profit/(loss) before working capital changes	3,455	(1,296)
Changes in working capital	1,375	(1,700)
Cash generated from/(used in) operations	4,830	(2,996)
Income tax paid	(3)	(2)
Net cash generated from/(used in) operating activities	4,827	(2,998)
Cash flows from/(used in) investing activities		
- Equity investments	-	-
- Others	(4,032)	(1,214)
Net cash used in investing activities	(4,032)	(1,214)
Cash flows from/(used in) financing activities		
- Bank borrowings	(1,025)	(1,810)
- Others	-	-
Net cash used in financing activities	(1,025)	(1,810)
Net decrease in cash and cash equivalents	(230)	(6,022)
Effects of exchange rate changes	1	2
Cash and cash equivalents at beginning of period	3,451	26,171
Cash and cash equivalents at end of period	3,222	20,151
Cash and cash equivalents comprise:		
	RM'000	RM'000
Cash and bank balances	3,222	6,011
Short term deposits with licensed financial institutions	-	14,140
	3,222	20,151

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 May 2011.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 2011**

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 May 2011.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2011, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations with effect from 1 January 2011:

FRSs, Amendment to FRSs and IC Interpretations

FRS 3	Business Combinations (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures – Additional Exemptions for First-time Adopters
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 138	Consequential amendments arising from FRS 3 (revised)
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Annual Improvements to FRSs (2010)	

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

3. Qualification of Audit Report

The audit report of the financial statement of the Group for the financial year ended 31 May 2011 was not qualified.

4. Seasonal or Cyclical Factors

There are no seasonal factors affecting the Group performance.

5. Material Changes in Estimates

There were no material changes in estimates that have had a material effect in the financial period to-date results.

6. Debt and Equity Securities

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the period year to-date.

7. Dividends Paid

There were no dividends paid during the financial period to-date.

8. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/(Loss) Before Taxation RM'000
Property Management/Investment/Development	14,873	3,224
Network Marketing	75	(232)
Construction	-	(41)
Investment and Others	339	373
	<u>15,287</u>	<u>3,324</u>
Elimination Inter-Group	(363)	-
Financing Costs	-	(667)
	<u>14,924</u>	<u>2,657</u>

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

9. Valuation of Property, Plant & Equipment

The valuation of land and building has been brought forward, without amendments from the previous annual report.

10. Material Subsequent Events

There were no material events subsequent to the end of the interim period to 20 October 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the financial statements for the financial period ended 31 August 2011.

11. Effect of Changes in the Composition of the Group

There were no changes in composition of the Group during the current interim period.

12. Changes in Contingent Liabilities/Contingent Assets

There were no contingent liabilities/contingent assets for the current interim financial period.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group recorded a revenue of RM14.9 million and profit before tax of RM2.7 million for the first quarter ended 31 August 2011. Contribution was mainly from the commercial development project in Ipoh, Perak which is progressing smoothly.

2. Variation of Results against Preceding Quarter

The Group recorded a profit before tax of RM2.7 million in the current quarter, compared to RM7.3 million in the preceding quarter which included a RM3.5 million fair value adjustment on investment properties.

3. Current Year Prospects

Contribution from the Group's 1Segamat mall in Segamat, Johor, will come on stream before the end of the current financial year. Together with the retail mall in Seri Kembangan, Selangor, rental income derived from these two investment properties will form a substantial source of recurring income for the Group.

The commercial development project in Ipoh, Perak is progressing smoothly with construction works on 102 units of shop offices approximately 41% completed and fully sold. The next phases of development consisting of 147 units of shop offices are expected to commence early next year. The response has been encouraging with approximately 70% of the units sold as at todate.

The iron ore operation in Kalimantan, Indonesia is expected to contribute to the Group's performance before the end of the current financial year. This is in line with the Group's intention to diversify its business portfolio to enhance its sustainable income stream.

4. Variance of Profit Forecast / Profit Guarantee

Not applicable

5. Income Tax Expense

	Current Quarter Ended 31 August 2011 RM'000	Cumulative Year To-Date 31 August 2011 RM'000
Current income tax :		
- Malaysian tax	633	633

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

6. Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter.

7. Purchase or Disposal of Quoted Investments

- (a) During the period, the Company disposed 4,700,000 shares in Meda Inc. Berhad for a purchase consideration of RM1,645,000. The Group recorded a net loss on disposal of quoted investment amounting to RM70,500 in its statement of comprehensive income.
- (b) Total investments in quoted securities as at 31 August 2011 are as follows :

	RM'000
(i) At cost	15,532
(ii) At carrying value	4,754
(iii) At market value	4,754

8. Status of Corporate Proposals Announced

There are no corporate proposals which has been announced by the Company but not completed as at 20 October 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 August 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long-Term Borrowings			
Amount repayable after twelve months	104,456	-	104,456
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>104,456</u>	<u>1,000</u>	<u>105,456</u>
Short-Term Borrowings			
Current portion of long term borrowings	27,698	-	27,698
	<u>27,698</u>	<u>-</u>	<u>27,698</u>

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 20 October 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Changes in Material Litigation

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 20 October 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

- (i) *The Company v Individual (1st defendant) and Astounding Holdings Sdn Bhd (2nd defendant) for RM15 million*

The case is now consolidated with another suit between Pica (M) Corporation Berhad Vs Individual (1st defendant). The company has obtained judgement in default against both defendants on 10 December 2009. The Company is in the process of executing the Judgment against the Defendants.

- (ii) *Jiddi Joned Enterprises Sdn Bhd and 3 other subsidiary companies v Yeng Chong Realty Sdn Bhd (1st defendant)/ Louis KH Wong (2nd defendant)*

The Court of Appeal has on 25 February 2008 allowed the plaintiffs' appeal against the striking out of the plaintiffs' suit by the 1st defendant. The matter was reinstated in the High Court and fixed for full trial. However, as a winding up order was made against the 1st defendant, the suit has been stayed until the sanction to proceed is obtained from the winding up court. However, on 19 April 2011, the Defendant's solicitor has obtained a stay against the winding up order and now the matter will proceed for trial. It is fixed for full trial on 7 to 9 December 2011.

- (iii) *56 purchasers of South City Condominiums v Pujian Development Sdn Bhd ("Pujian"), a subsidiary company, and seven others.*

Matter is fixed for further case management on 10 January 2012 and for trial on 13 and 14 February 2012.

- (iv) *24 purchasers of South City Plaza v Pujian.*

The High Court has allowed the plaintiffs' claims to rescind the sale and purchase agreement and Pujian has filed an appeal to the Court of Appeal. The Court of Appeal dismissed Pujian's appeal with cost on 3 October 2011.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

- (v) *The Government of Malaysia (Inland Revenue Board) ("IRB") v 4 Subsidiary companies, Mudek Sdn Bhd ("Mudek"), Seri Jasin Sdn Bhd ("Seri Jasin"), Berembang Sdn Bhd ("Berembang") and Jiddi Joned Sdn Bhd ("Jiddi Joned") in individual cases.*

Mudek was successful in its application to set aside the judgement in default obtained earlier by IRB. The court has dismissed IRB's application to renew the summons with costs on 3 October 2007. IRB has since filed and served a fresh writ of summons of which the defence has been filed by Mudek on 22 May 2008. IRB applied for summary judgement and was allowed by the court on 14 January 2011. Our Appeal has been adjourned to a date yet to be fixed. Mudek has filed stay of execution on 30 June 2011 and it is now fixed for case management on 29 December 2011.

In respect of Seri Jasin's suit, IRB has obtained summary judgement on 1 April 2010. Our appeal was dismissed by the Court with costs on 15 March 2011.

Jiddi Joned and Berembang have both filed their defences. In respect of Jiddi Joned's suit, the plaintiff has filed an application for summary judgement which was allowed on 1 April 2010. Our application for stay of execution was dismissed on 11 October 2010. Our appeal against the summary judgment decision was dismissed by the Court of Appeal with costs.

In respect of Berembang's suit, the Plaintiff's application for summary judgement was heard on 12 July 2010 whereby the application was dismissed on the basis that there are triable issues. The plaintiff has filed an appeal to the Court of Appeal which was fixed for hearing on 20 September 2011 but was adjourned to a date yet to be fixed. The High Court has yet to fix a date for trial.

The said subsidiary companies have initiated another legal proceeding against Yeng Chong Realty Bhd similar to (ii) above, for part of the said real property gains tax withheld from the purchase consideration for the disposal of the properties concerned. The defendant has again filed an application to strike out the action which was dismissed. The defendant's further appeal was also dismissed on 12 July 2007. The Defendant has filed appeal to the Court of Appeal which was dismissed. Plaintiff's action at the High Court is now fixed for case management on 28 October 2011 and full trial on 12 to 14 December 2011.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

- (vi) *Yeng Chong Realty Bhd ("Yeng Chong") v Tenaga Nasional Bhd ("TNB"), Mudek and Berembang*

Yeng Chong has also applied for an injunction against TNB to prevent TNB from entering into the property and making compensation to Mudek and Berembang, the injunction of which was refused on 27 September 2006. Yeng Chong has since filed an appeal against the decision but has withdrawn it on 12 April 2010. The High Court matter is pending. Both our applications to transfer proceedings to Kuala Lumpur and for leave to file Rejoinder were dismissed by the Court with costs. Notice of pre-trial case management was filed by Yeng Chong but pending extraction. Mudek and Berembang has filed a stay of proceedings pending the outcome of hearing of related suits at the High Court. The Court has fixed for hearing of the same on 28 October 2011.

- (vii) *IRB v Pujian*

The Government of Malaysia is claiming for tax assessment for the year 1998, 1999, 2000 in one action and for year 1999 (Tambahan) in another action, and for year 2001 in another action, and for year 2004 in another action. For the first action, Pujian succeeded in setting aside the judgement in default of appearance. IRB has appealed and it was allowed on 8 June 2010. We have filed to the Court of Appeal which was dismissed with cost on 12 July 2011. In relation to the second action, Pujian's defence was filed on 29 August 2007. IRB has filed an application for summary judgement which was allowed with cost on 29 April 2011. Pujian has filed an Appeal on 5 May 2011 to the Court of Appeal which is fixed for hearing on 3 November 2011. In relation to the third action, Pujian succeeded in striking out the action in 2006. IRB has since filed and served a fresh suit for the same subject matter and Pujian's defence was filed on 29 August 2007. IRB has filed an application for summary judgement which was allowed. We have filed an appeal to the Court of Appeal which was dismissed on 21 July 2011. As for the fourth action, the plaintiff's application for summary judgement was allowed with costs on 6 August 2008. Pujian has since filed an appeal to the Court of Appeal against the decision which is pending fixture of hearing date. Pujian's application for a stay application was dismissed on 25 November 2010. An appeal has been filed to the Court of Appeal which is pending fixture of hearing date.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

(viii) IRB v Tashima Development Sdn Bhd ("Tashima")

IRB commenced two actions against Tashima for income tax outstanding for assessment years 2000 in one action, and 2001 and 2002 in another action. In the first action, Tashima has filed its statement of defence on 10 April 2007. IRB has filed an application for summary judgement which was allowed on 4 January 2011. We have filed our appeal to the Court of Appeal which is fixed for hearing on 3 November 2011. In respect of the second action, the court has allowed the plaintiff's summary judgement application on 12 February 2008. Tashima has since filed its appeal against the said decision which is pending fixture of date. Our stay of execution application was dismissed by the Senior Assistant Registrar and Tashima's appeal to the High Court in relation to the stay application has been dismissed.

(ix) IRB v Sawitani Sdn Bhd ("Sawitani")

IRB filed a suit against Sawitani for real property gains tax outstanding for assessment year 2000. Sawitani has filed its statement of defence on 9 September 2008. IRB has filed an application for summary judgement which was allowed on 27 September 2011. A notice of Appeal was filed on 19 October 2011.

12. Dividend

No dividend has been declared for the current financial year to-date.

13. Earnings/(Loss) Per Share

The basic earnings/(loss) per share have been calculated based on the consolidated net earnings/(loss) attributable to ordinary shareholders for the period and the weighted average number of ordinary shares in issue during the period.

Basic earnings/(loss) per share	Current Quarter Ended	Comparative Quarter Ended	Cumulative Period To-Date	
	31-08-2011	31-08-2010	31-08-2011	31-08-2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Earnings/(Loss) Net earnings/(loss) attributable to ordinary shareholders	2,025	(2,124)	2,025	(2,124)
Weighted average number of ordinary shares	('000) 650,148	('000) 650,148	('000) 650,148	('000) 650,148

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

14. Realised and Unrealised Profit/(Losses)

	Group 31-08-2011 RM'000	Group 31-05-2011 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(560,115)	(562,140)
- Unrealised	(2,357)	(2,357)
Add : Consolidation adjustments	57,917	57,917
Total Group accumulated losses as per consolidated accounts	<u>(504,555)</u>	<u>(506,580)</u>

24 October 2011